

Message Text

CONFIDENTIAL

PAGE 01 BUDAPE 02644 060226Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 CU-04 DHA-02 EB-08 /073 W
-----130899 070117Z /13
R 051349Z AUG 77
FM AMEMBASSY BUDAPEST
TO SECSTATE WASHDC 9086

C O N F I D E N T I A L BUDAPEST 2644

E.O. 11652: GDS
TAGS: HU, PDIP, PINT, SCUL, SOPN
SUBJECT: AMBASSADOR'S CONVERSATION WITH PRESIDENT LOSONCZI

1. PRESIDENT LOSONCZI BEGAN OUR PRIVATE CONVERSATION AFTER MY FORMAL PRESENTATION OF CREDENTIALS, AUGUST 4, BY EXPRESSING HIS PLEASURE OVER RECENT IMPROVEMENT IN OUR RELATIONS. HE REFERRED SPECIFICALLY TO THE SCIENTIFIC AND CULTURAL EXCHANGE PROGRAM, TO THE SETTLEMENT OF CLAIMS AND DEBTS, AND TO PROGRESS ON FAMILY REUNIFICATIONS.

2. HE THEN WENT ON TO TALK AT CONSIDERABLE LENGTH ABOUT DETENTE, THE HELSINKI ACCORD AND THE TWO SPECIAL HUNGARIAN-AMERICAN PROBLEMS -- THE CROWN AND MFN -- AND I RESPONDED BRIEFLY TO THE POINTS HE RAISED.

3. DETENTE. LOSONCZI EMPHASIZED THAT THE RECENT IMPROVEMENT IN OUR BILATERAL RELATIONS HAD BEEN DUE IN NO SMALL PART TO THE DETENTE IN THE U.S.-USSR RELATIONSHIP. GOOD BILATERAL RELATIONS BETWEEN US COULD MAKE A POSITIVE CONTRIBUTION TO THE ATMOSPHERE OF DETENTE, BUT IT WAS ESSENTIAL THAT THERE BE A CONTINUATION OF A MEANINGFUL DETENTE POLICY BETWEEN THE TWO SUPER POWERS. HE TALKED AT CONSIDERABLE LENGTH ON THIS POINT, LEADING UP INEVITABLY TO AN EXPRESSION OF CONCERN OVER THE PRESENT STATE OF SOVIET-
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BUDAPE 02644 060226Z

AMERICAN RELATIONS WITH A NOT-TOO-SUBTLE BLAMING OF AMERICAN ACTIONS FOR THAT SITUATION. HE HOPED THAT THERE WOULD BE A CHANGE.

4. IN REPLY, I STATED THAT PRESIDENT CARTER'S POLICIES WERE AIMED AT THE ESTABLISHMENT OF A DETENTE RELATIONSHIP WITH THE USSR BASED ON THE ENLIGHTENED SELF-INTEREST OF BOTH SIDES. IT

WOULD BE UNFAIR AND UNREALISTIC TO IMPUGN THE MOTIVES OF THE PRESIDENT. THERE SHOULD BE NO DOUBT ABOUT PRESIDENT CARTER'S POSITIVE AND CONSTRUCTIVE ATTITUDES TOWARD AMERICAN-SOVIET RELATIONS. HE HAD NO INTEREST IN REVIVING THE COLD WAR. ON THE CONTRARY, HE WANTED A REALISTIC RELAXATION OF TENSIONS. IN ORDER TO FULLY APPRECIATE PRESIDENT CARTER'S POSITION, I URGED PRESIDENT LOSONCZI TO READ THE FULL TEXT OF PRESIDENT CARTER'S RECENT SPEECH IN CHARLESTON, SOUTH CAROLINA. IN SPITE OF MOSCOW'S POIEMICS, IN RECENT WEEKS THERE HAVE BEEN SOME FAVORABLE DEVELOPMENTS IN U.S.-SOVIET RELATIONS AS EVIDENCED, FOR EXAMPLE, BY THE PROGRESS IN NEGOTIATIONS FOR BANNING NUCLEAR TESTING AND IN THE RENEWAL OF THE 1972 AGREEMENT FOR COOPERATION OF SCIENCE AND TECHNOLOGY.

5. HELSINKI. AFTER EXPRESSING SATISFACTION THAT AGREE-
MENT HAD BEEN REACHED ON THE AGENDA FOR THE BELGRADE MEETING, PRESIDENT LOSONCZI STATED THAT IT WAS ESSENTIAL TO THINK OF THE HELSINKI ACCORDS AS A WHOLE; THAT IT WAS A MISTAKE TO CONCENTRATE INTEREST ON ONLY ISOLATED PARTS OF THE AGREEMENT. PROPER EVALUATION OF ITS IMPLEMENTATION REQKED A BROAD-GAUGE APPROACH. I REPLIED THAT THE U.S. WAS COMMITTED TO THE EFFECTIVE IMPLEMENTATION OF ALL THREE BASKETS, BUT THAT THIS DID NOT MEAN THAT, DEPENDING ON CIRCUMSTANCES, DIFFERENT SIGNATORIES TO THE ACCORD WOULD NOT FEEL COMPELLED TO EMPHASIZE DIFFERENT ASPECTS OF WHAT WAS A RATHER LENGTH DOCUMENT. I POINTED OUT THAT WE WERE PLEASED WITH THE PERFORMANCE OF THE HUNGARIAN
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BUDAPE 02644 060226Z

GOVERNMENT IN IMPLEMENTING THE HELSINKI ACCORD AS WAS EVIDENCED BY THE COMMENTS MADE IN THE EXECUTIVE BRANCH'S REPORT TO THE CSCE COMMISSION. THE CONTINUING DIALOGUE BETWEEN THE TOP OFFICERS OF THE HUNGARIAN GOVERNMENT AND OUR EMBASSY DURING THE PAST YEAR WAS PRODUCTIVE AND CONTRIBUTED TO AND REFLECTED THE IMPROVED RELATIONS TO WHICH PRESIDENT LOSONCZI HAD REFERRED.

6. THE TWO ISSUES.

A. MFN. IN REPLY TO A RATHER IMPASSIONED PLEA FOR THE GRANTING OF MFN, I FOLLOWED THE LINE TAKEN BY STATE 182700. WE SHARED A COMMON DESIRE TO INCREASE OUR BILATERAL TRADE; WE RECOGNIZED HUNGARIAN EFFORTS IN THIS AREA; AND WE WERE LOOKING FORWARD TO THE OPENING OF THE NATIONAL BANK'S REPRESENTATION OFFICE IN NEW YORK, AND TO THE HUNGARIAN ECONOMIC DAYS PLANNED LATER THIS YEAR. WHEN MENTIONING OUR SATISFACTION THAT WE HAD BEGUN USEFUL DISCUSSIONS ABOUT OUR TRADE AGREEMENT, I REMINDED THE PRESIDENT OF THE IMPORTANT ROLE CONGRESS PLAYS IN THIS AREA AS WELL AS OTHER AREAS OF INTERNATIONAL INTEREST. I ALSO REFERRED TO THE RECENT VISIT OF MR. NYERGES TO WASHINGTON AND THE DISCUSSIONS WHICH WERE NOW SCHEDULED TO TAKE PLACE IN GENEVA IN SEPTEMBER.

B. THE CROWN OF ST. STEPHEN. THERE WAS A POWERFUL BUT DIGNIFIED PLEA FOR ITS RETURN THE PRESIDENT LEFT NO DOUBT ABOUT HOW STRONG WERE THE HUNGARIAN FEELINGS THAT THE TIME HAD COME FOR THE CROWN TO COME HOME. IN REPLY I SAID THAT HUNGARY'S CONCERNS ON THIS WERE WELL KNOWN AND UNDERSTOOD IN WASHINGTON. THAT WAS ALL I COULD SAY AT THIS TIME.

7. COMMENT. I WAS RECEIVED WITH WHAT SEEMED TO BE GENUINE WARMTH. SERIOUS TALK WAS INTERSPERSED WITH LIGHT BANTER. THE PRESIDENT WAS CLEARLY PLEASED OVER THE RECENT IMPROVEMENT OF AMERICAN-HUNGARIAN RELATIONS, AND WAS EMPHATIC ABOUT THE CONTRIBUTION THE HUNGARIANS HAD MADE TO THAT IMPROVEMENT. THERE WAS REAL CONCERN ABOUT THE COURSE OF SOVIET-AMERICAN RELATIONS. THE STRONGEST FEELINGS, HOWEVER, WERE RESERVED FOR THE TWO
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 BUDAPE 02644 060226Z

BILATERAL ISSUES THAT INTEREST THEM MOST AT THIS TIME. FAILURE TO REACH SATISFACTORY SOLUTION OF THESE TWO ISSUES, BUT PARTICULARLY ON THE CROWN, WOULD HAVE AN ADVERSE EFFECT ON U.S.-HUNGARIAN RELATIONS, AND ALMOST CERTAINLY SOUR THE PRESENT FRIENDLY ATMOSPHERE.
KAISER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DETENTE, DIPLOMATIC DISCUSSIONS, CULTURAL EXCHANGES, FOREIGN TRADE
Control Number: n/a
Copy: SINGLE
Sent Date: 05-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BUDAPE02644
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770283-0669
Format: TEL
From: BUDAPEST
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770894/aaaadbpo.tel
Line Count: 142
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: d5037061-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 04-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1702663
Secure: OPEN
Status: NATIVE
Subject: AMBASSADOR'S CONVERSATION WITH PRESIDENT LOSONCZI
TAGS: PDIP, PINT, SCUL, SOPN, HU, US, CSCE, (LOSONCZI, PAL)
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/d5037061-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009